

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF LAFOURCHE
LAFOURCHE PARISH COUNCIL**

Thibodaux, Louisiana

**Financial Statements
As of and for the Year Ended December 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/13/05

T.S. KEARNS & CO.


(A Professional Corporation)
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**FIRE PROTECTION DISTRICT NO. 7
OF THE PARISH OF LAFOURCHE, STATE OF LOUISIANA
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**ANNUAL SWORN FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004**

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Office of Legislative Auditor within 90 days after the close of the fiscal year.

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A F F I D A V I T

Personally came and appeared before the undersigned authority, James R. Babin, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF LAFOURCHE, STATE OF LOUISIANA, LAFOURCHE PARISH COUNCIL as of December 31, 2004 and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.


Signature

Sworn to and subscribed before me, this 25th day of MARCH, 2005.


NOTARY PUBLIC 015415

=====

Officer: James Babin, Treasurer

Address: 506 Highway 308

Thibodaux, Louisiana 70301

Telephone: 985-447-2570

**FIRE PROTECTION DISTRICT NO. 7
OF THE PARISH OF LAFOURCHE, STATE OF LOUISIANA
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**Financial Statements
As of and for the Year Ended December 31, 2004**

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Certified Public Accountant's Compilation Report

**Board of Commissioners
FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF LAFOURCHE,
STATE OF LOUISIANA
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

We have compiled the accompanying financial statements of the Fire Protection District No. 7 of the Parish of Lafourche, a component unit of the Lafourche Parish Council, as of December 31, 2004, and for the year then ended. The financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units in the United States of America.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

As described in Note 1, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14*, as of January 1, 2004. This results in a change to the District's format and content of the basic financial statements.

Also described in Note 1 to the basic financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* as of January 1, 2004. This results in a change of format and content of the basic financial statements. The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

A handwritten signature in cursive script, appearing to read "T.S. Kearns", written over a horizontal line.

March 22, 2005

TIMOTHY S. KEARNS
MASTER OF BUSINESS ADMINISTRATION
CERTIFIED PUBLIC ACCOUNTANT

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**FIRE DISTRICT NO. 7 OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL**

Governmental Funds Balance Sheet / Statement of Net Assets

December 31, 2004

	<u>Governmental Fund - General</u>	<u>Adjustments - Note 1</u>	<u>Statement of Net Assets</u>
ASSETS			
Cash	\$ 78,282	-	\$ 78,282
Capital Assets, Net of Accumulated Depreciation (Note 4)	<u>-</u>	<u>\$ 197,016</u>	<u>197,016</u>
Total Assets	<u><u>\$ 78,282</u></u>	<u><u>\$ 197,016</u></u>	<u><u>\$ 275,298</u></u>
LIABILITIES			
Long term liabilities due < 1 year	-	\$ 15,936	\$ 15,936
Long term liabilities due > 1 year	<u>-</u>	<u>47,808</u>	<u>47,808</u>
Total liabilities	<u><u>-</u></u>	<u><u>\$ 63,744</u></u>	<u><u>\$ 63,744</u></u>
FUND EQUITY			
Invested in capital assets, Net of debt	-	\$ 133,273	\$ 133,273
Unreserved, undesignated	<u>\$ 78,282</u>	<u>-</u>	<u>78,282</u>
Total Net Assets	<u><u>\$ 78,282</u></u>	<u><u>\$ 133,273</u></u>	<u><u>\$ 211,554</u></u>

See accompanying notes and accountant's report.

**FIRE DISTRICT NO. 7 OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL**

**Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances /
Statement of Activities**

For the Year ended December 31, 2004

	Governmental Fund - General	Adjustments - Note 1	Statement of Activities
Expenditures / Expenses:			
Advertising	\$ 101		\$ 101
Bank fees	850		850
Communications & fees	1,370		1,370
Conventions & meetings	2,821		2,821
Depreciation expense	-	\$ 17,923	17,923
Donations	40		40
Dues	623		623
Fire fighting equipment & supplies	4,860		4,860
Fuel	467		467
Insurance	13,509		13,509
Miscellaneous	103		103
Office supplies & expense	782		782
Professional fees	1,470		1,470
Raffle expense	1,020		1,020
Repairs & maintenance	6,195		6,195
Utilities & telephone	6,519		6,519
Capital outlay	15,002	(15,002)	-
Debt service	15,936	(15,936)	-
Total Expenditures / Expenses	\$ 71,668	\$ (13,015)	\$ 58,654
General Revenues:			
Ad valorem taxes	\$ 55,291		\$ 55,291
Grant - Lorio Foundation	15,000		15,000
Fire insurance rebate	4,575		4,575
Building rental	3,225		3,225
Oil royalties	869		869
Raffle proceeds	2,691		2,691
Dues	55		55
Donations	50		50
Interest income	416		416
Other income	276		276
Total General Revenues	\$ 82,448	\$ -	\$ 82,448
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,780	\$ 13,015	\$ 23,795
Fund Balance / Net Assets:			
Beginning of the Year	\$ 67,502	(13,015)	\$ 54,487
End of the Year	<u>\$ 78,282</u>	<u>\$ -</u>	<u>\$ 78,282</u>

See accompanying notes and accountant's report.

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF LAFOURCHE
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2004**

INTRODUCTION

The Fire Protection District No. 7 (the District) of the Parish of Lafourche, State of Louisiana was created by the Lafourche Parish Council, by virtue of the authority conferred by Part I, Chapter 7, Title 40 of the Louisiana Revised Statute of 1950. The district is governed by a five-member board of commissioners, appointed by the Parish council. The district's finances are primarily ad valorem taxes on property located within the district's boundaries.

The district comprises and embraces all of the territory contained within Police Jury Ward 5 less and except the area of said Police Jury Ward contained within the City of Thibodaux, Louisiana. The following territory is not included within the boundaries of the District: that part of Police Jury Ward 5, Lafourche Parish, outside the corporate limits of the City of Thibodaux, Louisiana, which lies west of Louisiana Highway 20. The district provides funds to the Lafourche Crossing 308 Volunteer Fire Company, Inc. in return for fire protection services for the district.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Commission are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments. The District implemented GASB Statement No. 34 on January 1, 2004. Significant changes in the Statement include the following:

- For the first time the financial statements include financial statements prepared using full accrual accounting for all of the District's activities.

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LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2004**

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

B. Reporting entity

As the governing authority of the parish, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The financial reporting entity consists of (a) the primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

For financial reporting purposes, the District is classified as a component unit of the Lafourche Parish Government. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

Because the parish council appoints the governing board and because of the potential for the organization to impose specific financial burdens on the council, the district was determined to be a component unit of the Lafourche Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

In May 2002, the Governmental Accounting Standards Board (GASB) issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14*.

An objective of Statement No. 14, *The Financial Reporting Entity*, is that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. Statement 39 amends Statement 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based upon the nature and significance of their relationship with the primary government. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF LAFOURCHE
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2004**

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.
2. The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an *individual organization* that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based on the previous criteria, the District has determined that the financial statements of the Lafourche Crossing 308 Volunteer Fire Company, Inc (the Fire Company) should be included in those of this reporting entity as a blended component unit. The Fire Company's fiscal year end is December 31. Periodically, Individuals attend the District's Board meetings to report on the status of the Fire Company's funds and gain approval for budgeting and expenditure of these funds. The Fire Company's books are maintained separately from those of the District.

C. Changes in Accounting Principles

For the year ending December 31, 2004, the District has implemented GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as described above.

The implementation of GASB Statement No. 34 caused the fund balance at January 1, 2004, to be restated in terms of "net assets" as follows:

Fire District #7

Total fund balances – Governmental Funds at January 1, 2004	\$	7,921
Add: Costs of capital assets at January 1, 2004	\$	161,590
Less: Accumulated depreciation at January 1, 2004	(24,564)	
		137,026
Less: Debt principle at January 1, 2004		<u>(79,679)</u>
Net assets at January 1, 2004	\$	<u>65,268</u>

FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF LAFOURCHE
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2004

Fire Company 308

Total fund balances – Governmental Funds at January 1, 2004	\$ 59,581
Add: Costs of capital assets at January 1, 2004	\$ 304,508
Less: Accumulated depreciation at January 1, 2004	(241,597)
	<u>62,911</u>
Net assets at January 1, 2004	<u>\$ 122,492</u>

In order to implement GASB Statement No. 39 as described above, beginning net assets and fund balance was required to be restated to include the net assets/fund balance of the District at January 1, 2004 as follows:

Net Assets

Total net assets at January 1, 2004	\$ 65,267
Adjustment to include the Fire Co's net assets	<u>122,492</u>
Restated net assets at January 1, 2004	<u>\$ 187,759</u>

Fund Balance

Unreserved fund balance at January 1, 2004	\$ 7,921
Adjustment to include the Fire Co's fund balance	<u>59,581</u>
Restated fund balance at January 1, 2004	<u>\$ 67,502</u>

D. Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Funds of Schedules A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District wide operations.

The amounts reflected in the Governmental Funds of Schedules A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting,

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LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2004**

revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues available when they are collected. Expenditures are recorded when the related fund liability is paid, for interest and principal payments on general long-term debt, expenditures are recognized when due.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Schedule A) and the column labeled Statement of Activities (Schedule B) display information about the District as a whole.

These statements include all the financial activities of the District. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Reconciliation:

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Schedule B) and the Statement of Net Assets (Schedule A) are as follows:

Schedule B	
Capitalization of capital assets	\$ (15,002)
Recording depreciation expense	17,923
Recording long term debt activity	<u>(15,936)</u>
Net effect of changes	<u>\$ 13,015</u>

Schedule A	
Recording net capital assets	\$ 481,100
Recording of accumulated depreciation	(284,084)
Recording of long term debt	<u>(63,743)</u>
Net effect of changes	<u>\$ 133,272</u>

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF LAFOURCHE
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2004**

E. Budgets

As required by the Louisiana Revised Statutes 39:1303, the Board is required to adopt a budget for the District's General fund. All budgeted amounts, which are not expended or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

F. Encumbrances

The district does not use encumbrance accounting.

G. Cash and cash equivalents

Cash and cash equivalents include amounts in interest-bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. Capital assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are disposed of or sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Life
Building & improvements	10-40
Equipment	5
Fire Trucks & units	5-15

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF LAFOURCHE
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2004**

I. Total columns on statement

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2. LEVIED TAXES

The district is authorized to and has levied a 12.73 mill ad valorem tax.

NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 2004, the District has cash (book balances) totaling \$ 78,282 as follows:

Fire District #7	\$ 21,506
Fire Company	
(Blended component unit)	<u>56,776</u>
Total	<u>\$78,282</u>

These deposits are stated at cost, which approximate market. Under state law, this deposit (or resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2004, both the District and the Fire Company's deposits were secured from risk by federal deposit insurance.

NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>12/31/2003</u>	<u>Additions</u>	<u>12/31/2004</u>
Buildings & improvements	\$ 123,430	\$ 8,797	\$ 132,227
Equipment	74,978	6,205	81,183
Fire vehicles & units	<u>267,690</u>	<u>-</u>	<u>267,690</u>
Total capital assets	<u>466,098</u>	<u>15,002</u>	<u>481,100</u>

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF LAFOURCHE
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2004**

Less accumulated depreciation for:			
Buildings & improvements	(63,907)	(4,733)	(68,640)
Equipment	(71,590)	(2,417)	(74,007)
Fire vehicles & units	<u>(130,664)</u>	<u>(10,773)</u>	<u>(141,437)</u>
Total accumulated depreciation	<u>(266,161)</u>	<u>(17,923)</u>	<u>(284,084)</u>
Total capital assets, net of depreciation	<u>\$ 199,937</u>	<u>\$ (2,921)</u>	<u>\$ 197,016</u>

NOTE 5. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

	<u>Note Payable</u>
Long-term obligations payable at December 31, 2003	\$ 79,679
Additions	-0-
Deductions	(15,936) -----
Long-term obligations payable at December 31, 2004	\$ 63,743 =====

NOTE 6. COMPENSATION OF BOARD MEMBERS

The District did not pay per diem to any of its Board Members during the year ended December 31, 2004.

NOTE 7. LITIGATION AND CLAIMS

At December 31, 2004, the District had no litigation or claims pending.

REQUIRED SUPPLEMENTAL INFORMATION

**FIRE PROTECTION DISTRICT NO. 7 OF LAFOURCHE PARISH
LAFOURCHE PARISH COUNCIL**

**Budgetary Comparison Schedule
General Fund - Non-GAAP Basis
For the Year ended December 31, 2004**

	Budget	Actual	Variance - favorable (unfavorable)
Revenues:			
Ad valorem taxes		\$ 55,291	\$ 55,291
Grant - Lorio Foundation		15,000	15,000
Fire insurance rebate		4,575	4,575
Building rental		3,225	3,225
Oil royalties		869	869
Raffle proceeds		2,691	2,691
Interest income		416	416
Other income		381	381
		<u>381</u>	<u>381</u>
Total revenues	\$ -	\$ 82,448	\$ 82,448
Expenditures:			
Advertising		\$ 101	\$ (101)
Bank fees		850	(850)
Communications & fees	\$ 1,100	1,370	(270)
Conventions & meetings		2,821	(2,821)
Dues	245	623	(378)
Fire fighting equipment & supplies	6,200	4,860	1,340
Fuel	450	467	(17)
Insurance	12,000	13,509	(1,509)
Miscellaneous		143	(143)
Office supplies & expense	100	782	(682)
Professional fees	650	1,470	(820)
Raffle expense		1,020	(1,020)
Repairs & maintenance	5,500	6,195	(695)
Utilities & telephone	3,950	6,519	(2,569)
Capital outlay	5,130	15,002	(9,872)
Debt service		15,936	(15,936)
		<u>15,936</u>	<u>(15,936)</u>
Total expenditures	\$ 35,325	\$ 71,668	\$ (36,343)
Excess (deficiency) of revenues over expenditures	(35,325)	10,780	46,105
Fund balance, beginning		67,502	-
Fund balance, ending	\$ (35,325)	\$ 78,282	\$ 46,105

See accountant's compilation report and accompanying notes.